

M e m o r a n d u m

To: Panel Members Date: December 18, 2003

From: Ruby Cohen, Manager Analyst: R. Hernandez

Subject: One-Step Agreement for **Refrigerating Engineers Technicians Association**

CONTRACTOR:

- Multiple Employer: Employer Consortium
- Training Project Profile: Retraining: Companies W/Out-Of-State Competition
- Legislative Priorities: Moving To A High Performance Workplace
- Type of Industry: Manufacturing
- Repeat Contractor: Yes
- ETP Trainees Represented by Union: No
- Name and Local Number of Union Representing ETP Trainees: None Of The Core Group Of Employers Is Represented By Collective Bargaining Agreement

CONTRACT:

- Program Costs: \$213,200
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$14,680
- Total ETP Funding: \$227,880
- Total In-kind Contribution: \$349,700
 - *Trainee Wages Paid During Training:* \$196,800
 - *Other Contributions:* \$152,900
 - *Maximum Contractor Charge to Participating Employers:* \$1,000 & \$1,200 Per Trainee
- Reimbursement Method: Fixed-Fee
- County(ies) Served: Statewide

INTRODUCTION:

This is the fourth project with the Refrigerating Engineers Technicians Association.

The Refrigerating Engineers Technicians Association (RETA) founded in 1910, is an international society of individuals and companies involved in the design, operation, and service of industrial refrigeration systems. The applicant, the RETA California Consortia Council is comprised of chapter members who are also employers that maintain refrigeration systems. RETA is eligible to contract with ETP under Unemployment Insurance Code 10205(c)(1) as a group of employers. The proposed Contractor requests to use ETP funds under Title 22, California Code of Regulations (CCR), Section 4416(b), companies engaged in manufacturing.

MEETING ETP GOALS AND OBJECTIVES:

RETA proposes training that will further the following ETP goals and objectives:

- 1) Increase the impact of the training provided through ETP funds on California's economy and increase Economic Development category funds approved for manufacturing.
- 2) Training encourages industry-based investment in human resources development that promotes California industry through productivity and product quality enhancements.

TRAINING PLAN TABLE:

Grp/Trainee Type	Types Of Training	No. Retain	No. Class/Lab Videocnf. Hrs.	No. CBT Hrs.	Cost Per Trainee	Hourly Wage After 90 Days
Job No. 1, 2	Commercial Skills	330	40-56	0	\$556 - \$778	\$12.00 - \$15.55
					<u>Prevalent Hourly Wage</u> \$12.00	
					<u>Average Cost Per Trainee</u> \$691	
<u>Health Benefits Used To Meet ETP Minimum Wage:</u> Although employers pay health benefits for employees, the hourly contribution is not being used to meet the ETP minimum wage requirement.					<u>Turnover Rate</u> 20%	<u>% Of Mgrs & Supervisors To Be Trained:</u> 0%
<u>Other Employee Benefits:</u> Varies by employer						

COMMENTS / ISSUES:

➤ **Frontline Workers**

All participants in this project meet the Panel definition of frontline workers under Title 22 California Code of Regulations (CCR), Section 4400(ee).

COMMENTS / ISSUES: (continued)

➤ ***Compensatory Nature of Training***

Training is mandatory for all trainees.

➤ ***Production During Training***

The proposed Contractor agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold.

➤ ***Maximum Contractor Charge to Participating Employers***

RETA will charge participating employers a security deposit of \$1,000 per trainee, for the 40-hour program, refund the employer \$550 after each trainee meets the ETP retention requirement, and retain \$450. For the 56-hour program, RETA will charge participating employers a security deposit of \$1,200 per trainee, refund the employer \$728 after each trainee completes the ETP retention requirement, and retain \$472 per trainee. According to the Contractor's representative, the funds that are retained by RETA, approximately \$152,900, will be used to pay for the insurance and transportation costs associated with each ETP training session using the RETA mobile simulated training trailer.

➤ ***Supplemental Nature of Training Issue***

Panel Legislation requires that ETP funds be used to supplement, rather than displace, funds available through existing programs conducted by employers and government-funded programs.

Based on ETP records and training plans from current and previous RETA Agreements, it appears the training proposed in this project is ongoing or has previously been funded by the Panel.

Each of the core participating employers have participated in at least one of the two previous ETP-funded Agreements (ET02-0224 and ET00-0216), and forty-six percent of the employers have participated in both ETP-funded Agreements. RETA representatives report that although the employers participated in previous or currently ETP-funded Agreements, the employees will be newly appointed refrigeration mechanics/operators that do not have experience in an ammonia environment. The trainees in the advanced program will receive enhanced skills to understand the electrical panel and the specific details behind the panels. The advanced training is the next step in understanding, troubleshooting, and safely maintaining refrigeration systems.

The training provided in the previous Agreement (ET00-0216) included fundamentals, trouble shooting service, maintenance, and emergency response. The current Agreement (ET02-0224), includes 120 training hours of fundamentals, troubleshooting service, maintenance, and emergency response. It also includes a 56 hour training program that is advanced and is the next step in the trainees understanding of refrigeration systems.

PROPOSED ACTION:

Staff recommends approval of this Agreement if funding is available and if the Panel determines that the requested training is supplemental.

NARRATIVE:

According to RETA representatives, participating employers are changing their environment to become a high performance workplace. Each employer is committed to upgrading the skills of refrigeration mechanics/operators to create customer-oriented attitudes, increase productivity, and improve business operations and profitability.

RETA representatives report that to transition to a high performance workplace, newly appointed and experienced refrigeration mechanics/operators must have a thorough understanding of the systems. Refrigeration mechanics/operators must also have advanced skills to properly and safely maintain the refrigeration systems that are the lifeblood of each facility. This training program proposes to train 330 refrigeration mechanics/operators in basic and advanced skills to operate, maintain, and troubleshoot plant refrigeration systems.

Commercial skills training for the basic program will include refrigeration cycle, basic theory, basic math for the refrigeration operator, operating fundamentals, heat transfer, ladder controls, failure of valve components, mitigation of failure, two stage refrigeration operation, motor controls and service, 3-phase motors, PLC (Programmable Logic Controls) control, adding PLC's and Transducers to system for monitoring and communication using the working system, purging refrigeration system, troubleshooting fundamentals, and basic math for the refrigeration operator. This training will provide newly appointed refrigeration mechanics/operators with the skills to understand and maintain the system, operate and service controls, and safely troubleshoot equipment.

Commercial skills for advanced refrigeration mechanic/operators will include electrical heat transfer/system, components repair and adjusting, oil analysis, starter inspections, wiring inspections, lubrication, cleaning, motor vibration analysis, alignment of shafts and pulleys, advanced inspection, advanced theory/performance measurement, preventative maintenance, hands-on/pump outs and charging, math for the refrigeration operator, and preplanning zone configuration/site security.

Employer Demand

Panel policy requires multiple employer contractors provide evidence of employer demand for training.

RETA officials report that employers participating in this program are small and large refrigeration companies employing six to eight refrigeration system mechanic/operators. Based on questionnaires implemented by RETA and completed at the end of the previous training sessions, employers need to retrain their refrigeration mechanic/operators in basic and

NARRATIVE: (continued)

advanced levels of refrigeration system operations. This training is necessary in order to change their environment to a high-performance workplace.

RETA has obtained employer commitment from 13 participating employers, for approximately 48 percent of the trainees to be retained. The Contractor will add more employers throughout the contract term. In previous contracts, RETA has been successful in obtaining employer commitment.

Employers participating in this program are recruited through monthly chapter meetings, direct mailings, newspaper notices, and articles in the RETA Breeze. The Executive Director of RETA and BLI Company will also continue to promote the training. Marketing of employers will continue through trade shows and presentations made by RETA staff.

RETA California Consortia Council members participate in the development of the curriculum. The Council meets regularly to discuss training topics, future sessions, and curriculum development. Employers who participate in the RETA program complete questionnaires at the end of each training session. The questionnaire provides feedback, comments, and recommendations on the training program.

In addition, RETA has invested \$1 million in a new simulated training trailer to be used for this program. RETA has built the trailer around the needs of its membership and/or participating employers.

Supplemental Nature of Training

Panel Legislation requires that ETP funds be used to supplement, rather than displace, funds available through existing programs conducted by employers and government-funded programs.

RETA officials certify that the proposed ETP training is supplemental training and does not displace regular training that occurs in a company. Employers who participate in ETP-funded training provide new employee orientation as well as on-the-job training in specific work processes, which have not been duplicated in any way in the customized curricula developed individually for each participating employer.

SUBCONTRACTORS:

Cori Lombardo, CPS, Salinas, California, \$57,460, Training.
Russ Ramos, Joseph Schauf Co., Fresno, California \$123,760, Training.
Beth Engle, BLI Company, Salida, California, \$31,980, Administration.

THIRD PARTY SERVICES:

BLI Company provided project development services for a flat fee of \$6,000.

PRIOR PROJECTS:

The following are completed project statistics for ETP Agreements with this Contractor within the last five years:

PRIOR PROJECTS					
Agreement Number	Location (City)	Term	% Earned	Planned In-kind Contribution	Reported In-kind Contribution
ET00-0216	Statewide	12/27/99 – 12/26/01	95%	*	*
ET8-0675	Statewide	02/11/98 – 02/10/00	95%	*	*

In-Kind information not captured or required at the time.

ACTIVE PROJECTS:

The following are current project statistics:

ACTIVE PROJECTS						
Agreement Number	Agreement Amount	Term	Planned Number To Be Retained	Number Enrolled	Number Completed Training	Number Retained For 90 Days
ET02-0224	\$264,640	12/24/00 – 12/23/03	180	67	101	26

According to ETP records, the Contractor has earned \$41,366 (16 percent) of the Agreement. Only 67 trainees have been enrolled because RETA withholds enrollments until the trainee completes the 90-day retention. In the last ETP monitoring report, the Contractor reported 101 trainees completed training. The Contractor's representative reports that a 92 percent placement rate is anticipated.

REFRIGERATING ENGINEERS TECHNICIANS ASSOCIATION

CURRICULUM

Class Lab Hours
(40 – 56 Hours)

COMMERCIAL SKILLS

BASIC PROGRAM

- Refrigeration Cycle
 - Basic & Advanced Theory
 - Operating Fundamentals
- Heat Transfer
- Ladder Controls
 - Failure of Valve Components
 - Mitigation of Failure
- 2-Stage Refrigeration Operation
- Motor Controls & Service
- 3-Phase Motors
- PLC Control
 - Adding PLC's & Transducers to System for Monitoring & Communication Using the Working System
- Purging Refrigeration System
- Basic Math for the Refrigeration Operator
- Trouble Shooting Fundamentals

ADVANCED PROGRAM

- Trouble Shooting
 - Electrical
 - Heat Transfer/System
- Component Repair and Adjusting
 - Oil Analysis
 - Starter Inspections
 - Wiring Inspections
 - Lubrication
 - Cleaning
 - Motor Vibration Analysis
 - Alignment of Shafts and Pulleys
- Inspection
- Advanced Theory / Performance Measurement
- Preventative Maintenance
 - Hands-On / pump outs & charging
- Math for the Refrigeration Operator
- Preplanning Zone Configuration/Site Security

Participating Employers in Retrainee/New Hire Multiple Employer Contracts

Contractor's Name: Refrigerating Engineers Technicians Association	CCG No.: ET04-0598
Reference No: 04-0192	Page 1

PRINT OR TYPE

Company: Cebro Frozen Foods

Address: 2100 Orestimba Road

City, State, Zip: Newman, CA 95360

Contact Person/Title: John Locke

Telephone No.: (209) 862-0150

Collective Bargaining Agreement(s): None

Estimated #of employees to be retrained or hired under this Agreement: 30

Total # of full-time company employees worldwide: 2500

Total # of full-time company employees in California: 2500

Company: DOT Foods

Address: 2200 Nickerson Drive

City, State, Zip: Modesto, CA 95358

Contact Person/Title: David Gulczynski

Telephone No.: (209) 581-9090

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 10

Total # of full-time company employees worldwide: 1500

Total # of full-time company employees in California: 270

Company: Fordel, Inc.

Address: 190 Highway 7

City, State, Zip: Mendota, CA 93640

Contact Person/Title: Enrique Mercado

Telephone No.: (559) 655-4123

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 3

Total # of full-time company employees worldwide: 15

Total # of full-time company employees in California: 15

Participating Employers in Retrainee/New Hire Multiple Employer Contracts

Contractor's Name: Refrigerating Engineers Technicians Association CCG No.: ET04-0598

Reference No: 04-0192

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Company: Gerawan Farming

Address: 1467 E. Dinuba Avenue

City, State, Zip: Reedley, CA 93654

Contact Person/Title: Don Armson

Telephone No.: (559) 638-9281

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 9

Total # of full-time company employees worldwide: 150

Total # of full-time company employees in California: 150

Company:

Address:

City, State, Zip:

Contact Person/Title:

Telephone No.:

Collective Bargaining Agreement(s):

Estimated # of employees to be retrained or hired under this Agreement:

Total # of full-time company employees worldwide:

Total # of full-time company employees in California:

Company:

Address:

City, State, Zip:

Contact Person/Title:

Telephone No.:

Collective Bargaining Agreement(s):

Estimated # of employees to be retrained or hired under this Agreement:

Total # of full-time company employees worldwide:

Total # of full-time company employees in California:

Participating Employers in Retrainee/New Hire Multiple Employer Contracts

Contractor's Name: Refrigerating Engineers Technicians Association CCG No.: ET04-0598

Reference No: 04-0192

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Company: Mercer Processing, Inc.

Address: 1836 Lapham Drive

City, State, Zip: Modesto, CA 95352

Contact Person/Title: David Noland

Telephone No.: (209) 529-0150

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 12

Total # of full-time company employees worldwide: 265

Total # of full-time company employees in California: 265

Company: Nulaid Foods

Address: 200 W. Fifth Street

City, State, Zip: Ripon, CA 95366

Contact Person/Title: Dave Crockett

Telephone No.: (209) 599-2121

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 6

Total # of full-time company employees worldwide: 80

Total # of full-time company employees in California: 80

Company: Pemcon

Address: 1340 Dayton Street

City, State, Zip: Salinas, CA 93901

Contact Person/Title: Chris Kingsbury

Telephone No.: (831) 753-7960

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 5

Total # of full-time company employees worldwide: 25

Total # of full-time company employees in California: 25

Participating Employers in Retrainee/New Hire Multiple Employer Contracts

Contractor's Name: Refrigerating Engineers Technicians Association CCG No.: ET04-0598

Reference No: 04-0192

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Company: Pictsweet Frozen Foods

Address: 732 S. Hanson Way

City, State, Zip: Santa Maria, CA 93458

Contact Person/Title: Tuan Nguyen

Telephone No.: (805) 349-7112

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 9

Total # of full-time company employees worldwide: 250

Total # of full-time company employees in California: 250

Company: Ridgeback Ranch, Inc.

Address: Post Office Box 70

City, State, Zip: Mendota, CA 93640

Contact Person/Title: Randall Johnston

Telephone No.: (559) 655-8040

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 7

Total # of full-time company employees worldwide: 25

Total # of full-time company employees in California: 25

Company:

Address:

City, State, Zip:

Contact Person/Title:

Telephone No.:

Collective Bargaining Agreement(s):

Estimated # of employees to be retrained or hired under this Agreement:

Total # of full-time company employees worldwide:

Total # of full-time company employees in California:

Participating Employers in Retrainee/New Hire Multiple Employer Contracts

Contractor's Name: Refrigerating Engineers Technicians Association CCG No.: ET04-0598

Reference No: 04-0192

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Company: Sierra Hills

Address: 4505 N. Jack Tone Road

City, State, Zip: Stockton, CA 95205

Contact Person/Title: Robert Bordsdorf III

Telephone No.: (209) 931-5157

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 5

Total # of full-time company employees worldwide: 125

Total # of full-time company employees in California: 125

Company: Silva Foods

Address: 21 Gonzales River Road

City, State, Zip: Gonzales, CA 93726

Contact Person/Title: John Silva

Telephone No.: (831) 675-2478

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 25

Total # of full-time company employees worldwide: 1500

Total # of full-time company employees in California: 1500

Company: Supherb Farms

Address: 300 Diane Drive

City, State, Zip: Turlock, CA 95382

Contact Person/Title: Greg Meyers

Telephone No.: (209) 633-3637

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 8

Total # of full-time company employees worldwide: 135

Total # of full-time company employees in California: 135

**Participating Employers in Retrainee/New Hire
Multiple Employer Contracts**

Contractor's Name: Refrigerating Engineers Technicians Association CCG No.: ET04-0598

Reference No: 04-0192

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Company: WM Bolthouse Farms, Inc.

Address: 7200 Brundage Lane

City, State, Zip: Bakersfield, CA 93307

Contact Person/Title: Steve Moss

Telephone No.: (661) 366-7209

Collective Bargaining Agreement(s): None

Estimated # of employees to be retrained or hired under this Agreement: 30

Total # of full-time company employees worldwide: 2500

Total # of full-time company employees in California: 2500